

**POSITION STATEMENT OF THE CONNECTICUT TRIAL  
LAWYERS IN SUPPORT OF Raised Bill 6658**

***AN ACT CONCERNING EMPLOYER USE OF NONCOMPETE AGREEMENTS***

The Connecticut Trial Lawyers support passage that portion of Raised Bill 6658, which would impose reasonable restrictions on the right of employers to impose covenants not to compete on their employees.

The bill has four important components:

- (1) It codifies the requirement that such agreements be reasonable as to duration, scope, and geography. This is currently the law in the state as applied by the Connecticut courts.
- (2) It requires employers to provide their employees a reasonable period of time to obtain legal advice prior to signing the agreement. Most employees are not capable of understanding either the reasonableness of the legal requirements of an artfully drawn noncompetition agreement. There are significant differences in various agreements which may not be fully understood by lay persons. This provision gives the employee an opportunity to gain an understanding of the agreement, prior to blindly executing it.
- (3) The statute provides a cause of action for persons who are injured by the imposition of an unreasonable noncompetition agreement, including attorney's fees. This provision is important because many times individuals who leave their employment, and are subjected to time-consuming and expensive preliminary injunction litigation to prevent them from competing. Many times, these individuals cannot afford the expenses that go along with such litigation, and have no realistic opportunity to challenge them. This provision, gives these individuals a cause of action for an unreasonable noncompetition agreement, and the ability to recover damages, costs and attorney's fees. This will be a significant

disincentive for employers who attempt to use their unequal economic position to impose unreasonable restrictions on their departing employees.

Individuals generally should retain the right to pursue any lawful employment of their choice. A restrictive covenant, by its nature, inhibits the individual's professional liberty. It is in the public interest for individuals to be able to move to better career and professional opportunities as they arise. This promotes healthy competition and an exchange of ideas.

An employer has no legitimate interest in merely stifling competition, absent the need to protect trade secrets, confidential business information, or customer relationships. This bill promotes healthy competition and free trade by providing certain protections against overreaching noncompetition agreements.

Covenants not to compete are usually contracts of adhesion, and the product of unequal bargaining power. An employee generally has no choice in signing the agreement if they want the job. In at-will employment situations, it subjects the worker to significant restrictions after termination by the employer.

Raised Bill 6658 provides reasonable balance between the employers need to protect trade secrets, confidential business information, and customer relationships and the individual employee's liberty in the workplace.